

2012 Switzerland County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Switzerland County between 2011 and 2012.

In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Switzerland County the average tax bill for all taxpayers decreased by 1.1%. This small tax bill drop was the result of a 2.7% increase in the tax levy of all local government units, combined with an 8.7% increase in certified net assessed value. Switzerland County net assessed value rose due to a big increase in farmland assessments and smaller increases in homestead, other residential, and business assessments. The levy increased less than net assessed value, so tax rates fell in all Switzerland County tax districts. Switzerland County's tax rates are so low that few taxpayers were eligible for tax cap credits.

| | Average Change in Tax Bill, All Property | Total Levy, All Units | Certified Net Assessed Value | Tax Cap Credits % of Levy |
|--------|---|-----------------------|---------------------------------|------------------------------|
| 2012 | -1.1% | \$5,709,153 | \$502,068,064 | 0.2% |
| Change | | 2.7% | 8.7% | 0.1% |
| 2011 | 0.9% | \$5,557,518 | \$461,969,958 | 0.1% |

Homestead Property Taxes

Homestead property taxes increased 1.9% on average in Switzerland County in 2012. Tax rates in all Switzerland County tax districts decreased, and the county average tax rate fell by 5.5%. Switzerland County's tax rates were so low that only a few homesteads were eligible for tax cap credits in 2012, and Switzerland County had no local homestead credits in 2012.

Comparable Homestead Property Tax Changes in Switzerland County

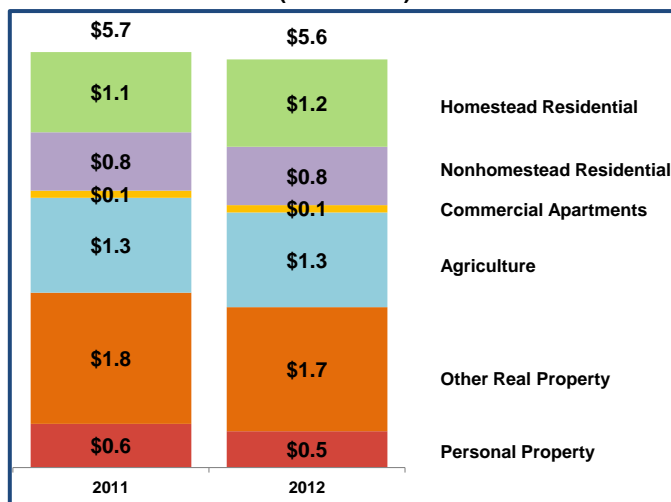
| | 2011 to 2012 | |
|------------------------------------|-------------------------|---------------------|
| | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | |
| Higher Tax Bill | 1,385 | 55.1% |
| No Change | 58 | 2.3% |
| Lower Tax Bill | 1,070 | 42.6% |
| Average Change in Tax Bill | 1.9% | |
| Detailed Change in Tax Bill | | |
| 20% or More | 167 | 6.6% |
| 10% to 19% | 285 | 11.3% |
| 1% to 9% | 933 | 37.1% |
| 0% | 58 | 2.3% |
| -1% to -9% | 907 | 36.1% |
| -10% to -19% | 77 | 3.1% |
| -20% or More | 86 | 3.4% |
| Total | 2,513 | 100.0% |

Note: Percentages may not total due to rounding.

Net Tax Bill Changes - All Property Types

Most of Switzerland County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and business equipment (personal), by agricultural property owners, and by homeowners. Net tax bills for all taxpayers decreased slightly, by 1.1%, in Switzerland County in 2012. Net taxes were higher for agricultural property and homesteads, and lower for commercial apartments, nonhomestead residential (mostly small rentals and second homes), other real property, and personal property.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all Switzerland County tax districts. The average tax rate fell by 5.5%, because a small levy increase was offset by a larger increase in net assessed value.

Levies in Switzerland County increased by 2.7%. The largest levy increase was in the county unit, mainly due to increases in the general fund levy. The Switzerland County School Corporation saw increases in its transportation and bus replacement funds and a decrease in its capital projects fund. No county taxing units in Switzerland County had significant levy decreases.

Switzerland County's total net assessed value increased 5.1% in 2012. Agricultural net assessments rose 11.8%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments rose 3.0%, led by increases in homestead and other residential assessments.

| Property Type | Gross AV 2011 | Gross AV 2012 | Gross AV Change | Net AV 2011 | Net AV 2012 | Net AV Change |
|------------------------|----------------------|----------------------|--------------------|----------------------|----------------------|------------------|
| Homesteads | \$260,311,029 | \$275,909,133 | 6.0% | \$97,965,752 | \$105,135,725 | 7.3% |
| Other Residential | 65,622,363 | 68,251,626 | 4.0% | 65,344,223 | 67,931,756 | 4.0% |
| Ag Business/Land | 113,246,600 | 126,991,501 | 12.1% | 112,802,790 | 126,123,338 | 11.8% |
| Business Real/Personal | 207,771,191 | 210,198,430 | 1.2% | 196,827,316 | 197,930,225 | 0.6% |
| Total | \$646,951,183 | \$681,350,690 | 5.3% | \$472,940,081 | \$497,121,044 | 5.1% |

Net AV equals Gross AV less deductions and exemptions · Tax rates are calculated on Net AV · Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Switzerland County were \$12,208, or 0.2% of the levy. This was among the lowest rates in the state. Tax rates are the main determinant of tax cap credits, and Switzerland County's tax rates also were among the lowest in the state.

Most of Switzerland County's tax cap credits were in the elderly category, which limits the tax bill increases of older homeowners to 2% per year. The town of Vevay lost 0.7% of its levy to the tax credits; no other units of government lost more than 0.4%. Switzerland County Schools and the county unit had the biggest dollar losses, but again these losses were quite small.

Tax Cap Credits by Category

Tax cap credits increased in Switzerland County in 2012 by \$3,935, or 47.6%. The percentage of the levy lost to credits was almost unchanged, rising by 0.1%. There were no major changes in state policy to affect tax cap credits in 2012

| Tax Cap Category | 2011 | 2012 | Difference | % Change |
|------------------|---------|----------|------------|----------|
| 1% | \$135 | \$2,850 | \$2,715 | 2010.0% |
| 2% | 0 | 0 | 0 | 0.0% |
| 3% | 0 | 0 | 0 | 0.0% |
| Elderly | 8,138 | 9,358 | 1,220 | 15.0% |
| Total | \$8,273 | \$12,208 | \$3,935 | 47.6% |
| % of Levy | 0.1% | 0.2% | | 0.1% |

Switzerland County Levy Comparison by Taxing Unit

| Taxing Unit | 2008 | 2009 | 2010 | 2011 | 2012 | % Change | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|
| | | | | | | 2008 - 2009 | 2009 - 2010 | 2010 - 2011 | 2011 - 2012 |
| County Total | 7,526,857 | 5,434,736 | 5,498,258 | 5,557,518 | 5,709,153 | -27.8% | 1.2% | 1.1% | 2.7% |
| State Unit | 12,383 | 0 | 0 | 0 | 0 | -100.0% | | | |
| Switzerland County | 1,986,878 | 1,846,307 | 1,913,415 | 1,959,215 | 2,026,849 | -7.1% | 3.6% | 2.4% | 3.5% |
| Cotton Township | 19,608 | 21,713 | 22,511 | 23,050 | 23,829 | 10.7% | 3.7% | 2.4% | 3.4% |
| Craig Township | 17,867 | 19,398 | 20,234 | 20,747 | 21,383 | 8.6% | 4.3% | 2.5% | 3.1% |
| Jefferson Township | 37,365 | 40,251 | 42,118 | 43,168 | 44,543 | 7.7% | 4.6% | 2.5% | 3.2% |
| Pleasant Township | 19,102 | 20,519 | 21,282 | 21,797 | 22,510 | 7.4% | 3.7% | 2.4% | 3.3% |
| Posey Township | 18,906 | 20,228 | 21,104 | 21,649 | 22,313 | 7.0% | 4.3% | 2.6% | 3.1% |
| York Township | 34,563 | 39,797 | 41,197 | 36,729 | 41,923 | 15.1% | 3.5% | -10.8% | 14.1% |
| Patriot Civil Town | 6,317 | 6,857 | 7,316 | 7,508 | 7,743 | 8.5% | 6.7% | 2.6% | 3.1% |
| Vevay Civil Town | 251,117 | 266,626 | 286,094 | 285,032 | 302,898 | 6.2% | 7.3% | -0.4% | 6.3% |
| Switzerland County School Corp | 4,933,402 | 2,950,175 | 2,912,808 | 2,919,188 | 2,965,717 | -40.2% | -1.3% | 0.2% | 1.6% |
| Switzerland County Public Library | 141,367 | 152,965 | 158,678 | 162,613 | 167,691 | 8.2% | 3.7% | 2.5% | 3.1% |
| Southeastern Indiana Solid Waste Mgmt | 47,982 | 49,900 | 51,501 | 56,822 | 61,754 | 4.0% | 3.2% | 10.3% | 8.7% |

Switzerland County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

| Dist # | Taxing District | Tax Rate | Credit Rates | | | | | | Net Tax Rate, Homesteads |
|--------|--------------------|----------|--------------|-------------------|--------------------|----------------------|-------------------|---------------------|-----------------------------|
| | | | LOIT PTRC | COIT Homestead | CEDIT Homestead | CEDIT Residential | LOIT Homestead | LOIT Residential | |
| 78001 | Cotton Township | 1.0778 | -- | -- | -- | -- | -- | -- | 1.0778 |
| 78002 | Craig Township | 1.0943 | -- | -- | -- | -- | -- | -- | 1.0943 |
| 78003 | Jefferson Township | 1.0850 | -- | -- | -- | -- | -- | -- | 1.0850 |
| 78004 | Vevay Town | 1.6636 | -- | -- | -- | -- | -- | -- | 1.6636 |
| 78005 | Pleasant Township | 1.0814 | -- | -- | -- | -- | -- | -- | 1.0814 |
| 78006 | Posey Township | 1.0768 | -- | -- | -- | -- | -- | -- | 1.0768 |
| 78007 | Patriot Town | 1.2544 | -- | -- | -- | -- | -- | -- | 1.2544 |
| 78008 | York Township | 1.0637 | -- | -- | -- | -- | -- | -- | 1.0637 |

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Switzerland County 2012 Circuit Breaker Cap Credits

| Taxing Unit Name | Circuit Breaker Credits by Property Type | | | | | Total | Levy | Circuit Breaker as % of Levy |
|---------------------------------------|--|-------------------------------------|------------------------------|---------|-------|--------|-----------|------------------------------|
| | (1%) Homesteads | (2%) Other Residential and Farmland | (3%) All Other Real/Personal | Elderly | | | | |
| <i>Non-TIF Total</i> | 2,850 | 0 | 0 | 0 | 9,358 | 12,208 | 5,709,153 | 0.2% |
| <i>TIF Total</i> | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>County Total</i> | 2,850 | 0 | 0 | 0 | 9,358 | 12,208 | 5,709,153 | 0.2% |
| Switzerland County | 798 | 0 | 0 | 0 | 3,008 | 3,806 | 2,026,849 | 0.2% |
| Cotton Township | 6 | 0 | 0 | 0 | 56 | 63 | 23,829 | 0.3% |
| Craig Township | 12 | 0 | 0 | 0 | 41 | 52 | 21,383 | 0.2% |
| Jefferson Township | 52 | 0 | 0 | 0 | 134 | 186 | 44,543 | 0.4% |
| Pleasant Township | 3 | 0 | 0 | 0 | 14 | 17 | 22,510 | 0.1% |
| Posey Township | 6 | 0 | 0 | 0 | 51 | 58 | 22,313 | 0.3% |
| York Township | 1 | 0 | 0 | 0 | 5 | 7 | 41,923 | 0.0% |
| Patriot Civil Town | 0 | 0 | 0 | 0 | 1 | 1 | 7,743 | 0.0% |
| Vevay Civil Town | 713 | 0 | 0 | 0 | 1,306 | 2,019 | 302,898 | 0.7% |
| Switzerland County School Corp | 1,168 | 0 | 0 | 0 | 4,401 | 5,569 | 2,965,717 | 0.2% |
| Switzerland County Public Library | 66 | 0 | 0 | 0 | 249 | 315 | 167,691 | 0.2% |
| Southeastern Indiana Solid Waste Mgmt | 24 | 0 | 0 | 0 | 92 | 116 | 61,754 | 0.2% |

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.